

## Agency Activity Inventory by Agency

Appropriation Period: 2005-07    Activity Version: Governor Gregoire's 05-07 Proposal

**Agency:**    090 - Office of State Treasurer

### Accounting and Fiscal Services for Treasury and Trust Funds

The State Treasurer maintains a correct and current account of all monies received and disbursed, classified by fund or account, as well as agency level accounting for investments, distributions, and debt management activity. All cash activity is accounted for and electronically interfaced to the statewide Agency Financial Reporting System (AFRS). (State Treasurer's Service Account)

**Statewide Result Area:**    Improve the ability of State Government to achieve its results efficiently and effectively

**Category:**    State financial resources and services

FY 2006				FY 2007			
Total	GFS	Other	FTEs	Total	GFS	Other	FTEs
\$1,350,000	\$0	\$1,350,000	14.8	\$1,310,000	\$0	\$1,310,000	14.7

**Expected Results:**

Provide quality services.

### Administration

The State Treasurer, a constitutional officer elected to serve a four-year term, is the state's chief fiscal officer. The Treasurer's Office provides banking, investment, debt management, and accounting services for state government, keeping the books and managing taxpayers' money from the time it is collected in taxes until it is spent on programs by the Legislature. The office receives the state's cash resources, invests the money each business day to earn interest, and disburses funds to numerous entities, including agencies, local governments, and active and retired state employees. Office business functions are supported by a fully functional information processing environment. (State Treasurer's Service Account)

**Statewide Result Area:**    Improve the ability of State Government to achieve its results efficiently and effectively

**Category:**    State financial resources and services

FY 2006				FY 2007			
Total	GFS	Other	FTEs	Total	GFS	Other	FTEs
\$783,000	\$0	\$783,000	10.0	\$814,000	\$0	\$814,000	10.0

**Expected Results:**

Promote and maintain public trust and confidence.

### Banking Services

The State Treasurer receives and deposits monies remitted to the state, and manages the disbursement of funds to state and local governments, vendors, beneficiaries, claimants, and employees. These banking services are provided to state agencies through the Cash and Warrant Management Division. The division promotes responsible financial practices to ensure the unimpeded inflow of monies to the state's bank accounts and the timely outflow of monies to payees. The warrant management section releases, redeems, and maintains the records of warrants that bear the signature of the State Treasurer. The division also is responsible for the negotiation and management of numerous financial contracts and agreements, and works in cooperation with other state agencies in support of Digital Government initiatives. (State Treasurer's Service Account)

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**Category:** State financial resources and services

FY 2006				FY 2007			
Total	GFS	Other	FTEs	Total	GFS	Other	FTEs
\$2,379,000	\$0	\$2,379,000	24.8	\$2,274,000	\$0	\$2,274,000	24.6

### Expected Results:

Promote prudent financial practices and provide quality services.

**Outcome Measure:** State payment transaction average cost.

FY02 Actual	FY03 Actual	FY04 Actual	FY05 Estimate	FY06 Proposed	FY07 Proposed
\$0.1	\$0.11	\$0.11	\$0.11	\$0.11	\$0.11

**Outcome Measure:** State receipt transaction average cost.

FY02 Actual	FY03 Actual	FY04 Actual	FY05 Estimate	FY06 Proposed	FY07 Proposed
\$0.08	\$0.13	\$0.13	\$0.13	\$0.13	\$0.13

*Cost per item estimates have increased due to our reviewing the methodology used to calculate estimates. Also note, that new projection estimates include purchase of new scanner for warrant processing/position reallocation and salary adjustments/bank fee charges due to renegotiation of contract extension with concentration bank.*

## Debt Management Services

Bond Retirement and Interest, Agency 010, is part of the Office of the State Treasurer, and is commonly referred to as Debt Management. The major functions of this activity include support to the State Finance Committee, debt issuance, the State/Local Lease Purchase Program, the School Bond Guarantee program, and payments to bondholders. (State Treasurer's Service Account)

**Statewide Result Area:** Improve the ability of State Government to achieve its results efficiently and effectively

**Category:** State financial resources and services

FY 2006				FY 2007			
Total	GFS	Other	FTEs	Total	GFS	Other	FTEs
\$1,436,000	\$0	\$1,436,000	14.6	\$1,493,000	\$0	\$1,493,000	14.6

### Expected Results:

Promote prudent financial practices and provide quality services.

**Outcome Measure:** Ratio of the true interest cost (internal rate of return) of an issue to the Bond Buyer Index\*. This ratio compares the price performance of the State of Washington General Obligation Bonds with the prices achieved by other municipal market issues.

FY02 Actual	FY03 Actual	FY04 Actual	FY05 Estimate	FY06 Proposed	FY07 Proposed
95.8%	95.7%	95.1%	98.5%	98.5%	98.5%

*\* The Bond Buyer index is a weekly municipal bond price index published in the Bond Buyer, a daily publication featuring news, statistics, index figures and other items of interest for the municipal bond market.*

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**Outcome Measure:**    Ratio of the net present value of the savings (after discounts and cost of issuance) compared to the total par value of the bond issue.

FY02 Actual	FY03 Actual	FY04 Actual	FY05 Estimate	FY06 Proposed	FY07 Proposed
6.4%	8.2%	7.7%	5%	5%	5%

*The Savings/Issue Size performance measure provides a way to assess savings from refundings. A refunding is a procedure whereby an outstanding bond issue is refinanced by a new issue.*

## Investment Services

The Investment Division invests a pool of the state's operating and capital cash reserves for maximum return under defined risk parameters, while still providing sufficient liquidity to meet agency cash requirements. The Investment Division also separately invests and administers the Local Government Investment Pool (LGIP), a pooled investment program which serves more than 400 local government cash managers. Pooled investments and other services allow state and local governments to share in the expertise of the State Treasurer and its investment staff, and reap the benefits of the economies of scale. (State Treasurer's Service Account)

**Statewide Result Area:**    Improve the ability of State Government to achieve its results efficiently and effectively

**Category:**    State financial resources and services

FY 2006				FY 2007			
Total	GFS	Other	FTEs	Total	GFS	Other	FTEs
\$949,000	\$0	\$949,000	9.1	\$992,000	\$0	\$992,000	9.1

**Expected Results:**

Promote prudent financial practices and provide quality services.

**Outcome Measure:**    Treasury and Trust Funds - Incremental value of active internal investment compared to overnight investment of all available funds (dollars in thousands).

FY02 Actual	FY03 Actual	FY04 Actual	FY05 Estimate	FY06 Proposed	FY07 Proposed
\$67,639	\$45,741	\$27,271	\$6,760	\$6,590	\$6,460

**Outcome Measure:**    Local Government Investment Pool (LGIP)-Incremental value of LGIP compared to comparable privately managed money funds (dollars in thousands).

FY02 Actual	FY03 Actual	FY04 Actual	FY05 Estimate	FY06 Proposed	FY07 Proposed
\$30,048	\$20,009	\$21,678	\$13,200	\$13,200	\$13,200

*The incremental value of an active investment program is subject to wide variation due to the shape of the yield curve, the direction of interest rates, treasury cash flow patterns and the investment strategies employed.*

## Middle Management Reduction

The Governor has directed that middle management be reduced by 1,000 positions by the end of the biennium. This item is this agency's share of the statewide amount.

**Statewide Result Area:**    Improve the ability of State Government to achieve its results efficiently and effectively

# Agency Activity Inventory by Agency

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**Agency:** 090 - Office of State Treasurer

**Category:** Human resources support for government agencies

FY 2006				FY 2007			
Total	GFS	Other	FTEs	Total	GFS	Other	FTEs
\$(29,000)	\$0	\$(29,000)	(0.5)	\$(83,000)	\$0	\$(83,000)	(1.5)

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